

FILED: *Meeting*
RETURN TO
RECORDS MANAGEMENT DIVISION

INTERAGENCY RECORDS ADMINISTRATION CONFERENCE

Report of First Meeting, 1953-1954 Season

October 16, 1953

RECORDS MANAGEMENT IN AGENCY LIQUIDATION OR REDUCTION

Presiding: Mr. Arthur E. Young, General Services Administration

Panel Speakers:

Mr. Charles F. Fridrich, National Production Authority

Mrs. Dorothy M. Luttrell, Internal Revenue Service,
Treasury Department

Mrs. Alice Ritter, Reconstruction Finance Corporation

Mr. Joseph F. Vaughan, Office of Defense Mobilization

This report is distributed for the Interagency Records Administration Conference by the National Archives and Records Service, General Services Administration. For further information write or call James E. Cole, Jr., Conference Secretary, Code 151, Ext. 5183.

INTRODUCTION

Mr. Arthur E. Young

Good morning, ladies and gentlemen. We welcome you to the first regular meeting of the Interagency Records Administration Conference for the 1953-54 season. We would like to remind you that we have been attempting to bring our mailing list up-to-date. We would like for you to send in any revisions as soon as possible to the Secretary, so that our mailing list will be accurate.

Changing conditions in government will continue to impose varying degrees of adjustment upon most Federal agencies. Many agencies are even now faced with problems of one phase or another of liquidation or reduction. As a means of assisting such agencies to prepare for prompt, orderly, and economical liquidation or reduction of their activities, the IRAC steering committee has planned today's meeting, "Records Management in Agency Liquidation or Reduction."

We want to keep this morning's discussion devoted to consideration of principles, policies and procedures. In selecting our panel we tried to get persons who either currently are in the process of having liquidation problems or have been through the mill. The device we are going to use is to have one panel member interrogate the other three panel members who will attempt to answer the questions. Our interrogator is, Mrs. Alice Ritter, Records Officer for the Reconstruction Finance Corporation, an agency in the process of liquidation. The first panel member Mrs. Ritter will question, will be Mrs. Dorothy Luttrell, who is with us this morning in her capacity as former Records Officer of the Office of Price Stabilization which was liquidated last June 30th. Questions will then be directed to Mr. Charles Fridrich, of the National Production Authority, representing a greatly reduced agency which is being transferred to the Business and Defense Services Administration of the Commerce Department. Then we have with us the former chairman of IRAC, Mr. Joseph Vaughan. He is with the Office of Defense Mobilization, which has become a recipient agency of liquidated functions and records from NSRB, Office of Rent Stabilization, and DPA. At this time I would like to turn the discussion over to our interrogator, Mrs. Alice Ritter, of Reconstruction Finance Corporation.

Mrs. Alice Ritter

Thank you, Mr. Young.

I should like to preface this morning's discussion with a little excerpt from a recent Reader's Digest article entitled, It Was a Long Time Ago. "Perhaps it will be files, not insects that will destroy the human race." It has been estimated that the salaries of Federal Employees who are engaged in records handling totals more than \$680,000,000 a year. The records themselves occupy space equivalent to 6 Pentagons. I understand that it takes 10 tones of paper to build a battleship, purchase orders, blueprints, working papers, progress reports, priorities, etc. The sad thing is that when they scrap the battleship they don't sink the file with it." That was good news for us in RFC, since we don't have any battleships.

To start, must we assume plans for liquidation or reduction can be carried out most rapidly and economically only if backlogs of work have been eliminated in advance and if program and administrative functions are operating on a current basis--in short, only if an effective management program is already in working order?

Mrs. Dorothy M. Luttrell

You are entirely correct, Mrs. Ritter.

Mrs. Alice Ritter

What is our first step, in a liquidating agency, that the records officer must take to discharge his responsibilities. In RFC I have felt that, first, a prospectus must be developed by the records management staff of what will have to be done with some indication of the timing contemplated. Just what would your approach be with the agency operating and housekeeping officials?

Mrs. Dorothy M. Luttrell

Yes, the general plan must be developed early. Since we are talking about a hypothetical agency I would like to speak in generalities for just a moment. This hypothetical agency that is going out of business is faced with four major problems, the separation of people, the closing out of fiscal accounts, the liquidation of property, and the retirement of records. In my opinion, the disposition of records is the most complex, the most time-consuming and its importance least understood. The property and the people may go, the accounts transferred intact to Treasury, but a substantial portion of the records must live on as concrete evidence of the programs and functions of the agency. I would hope that this hypothetical agency would have realized long before the blow falls that it is the type of agency which might not live on forever and that preliminary planning for the end would have started near the beginning. This is especially true in the records management area. A comprehensive records management program for an agency, which is marked for liquidation, should consider the ultimate disposition of all records at the beginning of the program and their plans should be made accordingly.

Regardless of whether or not preliminary planning has been done, when the ax falls, you must immediately develop a comprehensive program of records liquidation. Of necessity this program must be a comprehensive plan for the disposition of all records of the agency by some pre-determined date. I believe that the initial approach of records management people should be to present to the top management officials, to the director, or to a liquidating officer (if one has been appointed) a concise summary of just what records liquidation means, what are the problems, what is the scope of the records liquidation and just how you would go about it. This plan should include a concise statement of legal and regulatory requirements--not only laws governing records but also laws under which the agency operates. It should also include a list of necessary agency-wide pre-liquidation activities, such things as a freeze order which will control

the unauthorized disposal or removal of Federal records, the selective preservation of valuable records, the disposal of temporary records which have outlived their usefulness, the retirement and storage of the balance and also the transfer of certain records to a successor agency which is absorbing specific functions. This summary should also include a statement of personnel requirements; agency-wide personnel requirements for the records liquidation job--not only the number of people but the number of people for different kinds of progressive liquidation of records. You should also attempt to include target dates, i.e., dates by which certain stages of the records liquidation program should be completed.

After this summary has been presented to the top officials and has their blessing and approval, you should approach the program and housekeeping officials in exactly an opposite manner. In the approach to program officials, you should emphasize the necessity for the preservation of the valuable records that they have created as the result of their important part of the program. With housekeeping officials you emphasize disposal. In dealing with these officials, of course, welcome their suggestions and welcome their contributions to the records liquidations program, but very early in the game I would suggest that you make it clear to them beyond the shadow of a doubt that the final decision of the liquidation of records rests with the records management people, not the operating officials.

Mrs. Alice Ritter

Having established this coordination of effort within your own agency, wouldn't it be well then to bring in those other Government agencies who must give us clearance and assistance in the retirement of the records, that is GSA which provides custody for them and later disposes of scheduled material, and the General Accounting Office, which must give clearance for the handling of the fiscal records?

Mrs. Dorothy M. Luttrell

Most definitely bring them in at the earliest possible date. They can give you invaluable assistance both from the standpoint of advice and actually helping you. They should be consulted in connection with this records liquidation plan that I have mentioned. If at all possible it would be a good idea to have them review that plan before you ever present it to the top officials. Most definitely bring them into the picture just as quickly as you can. Mr. Vaughan, you have been on both sides of the fence. I am wondering whether or not you would agree with me.

Mr. Joseph F. Vaughan

Yes--and any other agencies which might have responsibilities. If I may move away a little bit from our hypothetical agency, and be rather specific and perhaps personal, there are a number of instances where the Office of the Defense Mobilization, although it has not been the successor agency in the true sense of the word, but because of overriding responsibilities for mobilization planning

including the stabilization area, has had a definite concern. In the last month or so that OPS was liquidating, for example, we had an occasion to get together on a number of specific instances. Then quite recently in the case of the ORS and its predecessor, the Office of the Housing Expeditor, we were asked to concur in the disposal schedules that had been prepared in previous periods and we did that, as the agency having the greatest concern in the records, although we were not the successor.

Mrs. Alice Ritter

Mr. Fridrich, how about those cases where there is a successor agency to liquidate the rag tag end of this almost defunct organization? It must fit in this picture somewhere, both from the standpoint of courtesy and the job that it will have to pick up and carry on to completion.

Mr. Charles F. Fridrich

There are, of course, all kinds of successor agencies, ranging from those which succeed to most of the functions the first agency had, to those who get only a segment of the original charter.

I think we can generally assume that a new organization will be unfamiliar with the substantive problems and with the records. As a general rule the new agency should start its new files, and not try to add to those it inherits. Of course, it would want to use the older files, but try to get a new set established.

I also think the old agency should provide the successor with an inventory of its records. As many of you know, I have been allergic to inventories of files. I have considered them necessary to prepare records disposal schedules, being always able to make my schedules directly.

Along with that inventory you will want explanations of some of the procedures under which the records were created so the successor group can adequately review the files and make determinations as to disposal. With this information at hand executives can sit down and adequately review and determine how and where the ends come together. Not until you have completed the records inventory should you go to the liquidating group and expect to make sense to them. You cannot talk to them with any knowledge and brief them in any way without such a background as it would provide.

Mrs. Alice Ritter

Well, truthfully I think if I follow your advice in RFC that you will work me to death. How about telling me more of the selling job needed for the top echelon? They have got to give us the green light. The plan could bog down if they are not going to cooperate. Is there anything we can do in this area?

Mrs. Dorothy M. Luttrell

Yes, there are many things we can do. My personal experience along this line was a very pleasant one. I had no selling job to do with the top echelon at the time of liquidation, since the selling job was done at the time the agency was created. A comprehensive records management program was recognized by top officials of the agency as a necessary tool of administrative management from the very beginning. So we didn't have to sell records liquidation. It was just a part of the over-all records management program. The selling job that I had to do wasn't the top echelon but selling the second echelon. During the liquidation period the agency director was backing me up completely. That was true throughout the program. Not only did our records management program have complete backing from top management, but we also had them blocking for us--they were right out in front when the going was rough. As I say, my experiences were very pleasant, but if you have not been that fortunate and are faced with selling the entire program at the time of liquidation you will have to make top echelon aware of the importance of the job, aware of the enormity of the job, the huge volume of records, the vast amount of time that it takes to handle the records. They will need to become aware of the legal and regulatory requirements--the requirements of law which must be met. Then you will have to impress upon them the relationship of cessation of activities to the liquidation of records. That was the hardest job that we had to do. You cannot have business as usual, with everybody creating records and everybody using the records when you are retiring those records. They must schedule the cessation of program activities so that you can schedule the retirement of the records of those various programs. One of the best ways of selling records liquidation (and this was as I mentioned selling to the second echelon) was to develop a schedule of records liquidation projects in which we listed every individual records liquidation task, estimated the man days required to complete the project, and established tentative completion dates. When operating officials saw this schedule, they were amazed at the enormity of the problem. Then we carried this presentation one step further. We prepared a chart of these individual projects, listing their completion dates and showing the progress made week by week. That chart was taken to the Director's office every Monday morning and he called his top staff people to discuss it. I might say that on selling the records liquidation program to what I call the second echelon, we had two types of people to deal with. We had the ostrich type--the Division Director who stuck his head in the sand and said, "we are not going to be liquidated in spite of what the President said!" There were a great many people like that, who refused to recognize and cope with the nasty word liquidation! And then we had the other type, the overly enthusiastic type--the well meaning. I am sure that most of them were sincere but a few of them were anxious to climb on the records management band wagon. They felt that records liquidation would continue long after the program ended and if they could help the records people they would have a job for 2 or 3 months longer. So if you have that trouble, it is more complicated than just a selling job. After you have the program sold you have to control it.

Mrs. Alice Ritter

Well, let us say we are in the business now of going out of business. Several of the programs are being transferred to another agency. The law says nothing about what records shall be transferred. I know some of these receiving agencies don't want anything but strictly current records. Mr. Vaughan, did you ever come up against anything like that?

Mr. Joseph F. Vaughan

There is one point we must face if we are to be realistic. That is the rather astonishing relationship between the retirement of records and reduction in force.

In some cases agency "X" has been abolished, and its records, functions, property, etc., transferred intact to another agency - "Y". And that makes sense. It is generally agreed that functions will be continued. And then agency "Y" suddenly is alerted to the fact that these people are going to bump their people. They say, "we won't let this happen." And so you do have a very tough job ahead of you. The terminology of executive orders on reorganization plans usually read: "that portion of the records or personnel, that shall be mutually agreed upon as being necessary to carry on the functions that are to be carried on are hereby transferred." You get records, but frequently you don't get any records people or anybody that knows anything about records. All of this complicates the situation. Of course it depends on how big your volume is and so on. In a number of cases with which ODM has been concerned we have had the advantage, at least temporarily, of securing the services of people who maintained and managed the records in the predecessor agency. In other cases records have been transferred to us along with the operating people for the function. I cite particularly the Stock Pile operations program of the Munitions Board which came to ODM by Reorganization Plan Number 3. By and large your management and administrative people want only current records. I will grant you that. These days it is true more than ever before, because you find most agencies running on a shoestring budget and although functions are transferred we find it necessary to carry on all of the functions or part of them with fewer people. So we don't want to be encumbered with noncurrent records or records which have no bearing upon that portion of the program which may be in our hands for liquidation or for indefinite continuation. After all, GSA is set up to take noncurrent files. I don't think there is anything more that I could say on that particular thing, except once more to emphasize the relationship of this problem and that of economy. There is a reluctance on the part of agencies receiving functions to have to reckon with a records problem that seems in the far distant past. In the case of the Office of Rent Stabilization, for example, we were certainly delighted to find out that most of its records had been scheduled and had been picked up by our GSA friends in Region 3 so when we sent a team over to "case the joint" at Midway Hall we found that most of the rooms were empty and we all came back and said the problem wasn't anything like what we thought it was. Fewer than 70 file cabinets were actually transferred. As it looks now, the rent operation will be entirely in the hands of GSA in a matter of a few months.

Mrs. Alice Ritter

What about the active records of unliquidated assets? They undoubtedly will have activity for a long period of time and a decision has to be made about their fate. Mr. Fridrich, can you help me on that one?

Mr. Charles F. Fridrich

The most helpful aid in this area I found to be an old Bureau of the Budget management bulletin, "Agency Liquidation or Reduction: A Procedural Guide," published in 1945. I would like to see the Records Management Division of GSA work it over and bring it up-to-date. Perhaps as an exhibit to the proceedings of this meeting that portion of the pamphlet dealing with fiscal activities could be reproduced. (See EXHIBIT 1)

Mrs. Alice Ritter

Do we have any problems with records of programs which are liable to be reactivated at a later date?

Mr. Charles F. Fridrich

There are two problems here, it seems to me, with which we will have to be specific. For example, the NPA organization has evolved to the point where the Defense activities program has gone down hill. Where we formerly had 5,000 people carrying it on, we now have approximately 300. There are, however, some new activities in the Defense program. These new programs must use the records built up under the former Defense programs. Therefore, you have to go further to determine what records should be kept or should be retired.

Now we talk "program" very loosely. It is a term people throw around, regardless of level, but I want to impress one thing: a program to one part of an organization may merely be an activity in another. So you have got to get down to the activity level to determine what records are to be kept. In order to analyze that you have got to first of all determine what are the activities. Then, which are going to be continuing, what records must be transferred to the succeeding group or what records must be preserved in retirement for an eventuality that may or may not come; namely, in our case, another war and the resulting need for data on our whole industry. Getting down to the activities, I found it best to list them on one side of a piece of paper, and opposite them list the pertinent records. For example, we have a priority program. We also have priority policy records. We need not keep, probably, the case files of individual firms. Then you must go into your other areas. When we conduct select critical deficiency studies, there is a big statistical operation. In our last effort we had millions of records concerning requirements. How much steel a man needed, how much columbium? The answers to questions like those will determine the types of records you must keep in the event a requirements program should be reactivated by the Congress.

Mrs. Alice Ritter

You are overlapping a little into my next question. This is one that I had for Mr. Vaughan. I wanted to discuss with him the records of programs that have long since been completed and then again maybe the liquidating agency wouldn't need them. There are no assets to be disposed of and they have been stored because they have been valuable for research purposes. Who will determine their fate? The abolished or the liquidating agency?

Mr. Joseph F. Vaughan

Well, I think wherever possible the abolished agency, prior to its abolition, should make a decision on records of that kind. They are the people who created them and know something about them. If all had been well as far as the records situation in agency "X" is concerned one would assume that provisions for the eventual retirement of these records would have been made. It is very difficult for a third agency, even when it is a successor agency to do as good a job with that sort of a thing as the initial agency. What does complicate the matter though, is that you have some programs that are being carried on. My inclination at the moment (and frankly I haven't come to a firm decision nor have I developed a way to meet it) is this: As you take on a certain program and are charged with carrying out certain functions, those records needed by the successor agency you merely inventory and identify in their new home as "records of the new agency and its predecessor agency" (agency "X"). I think all of those that are not necessary to carry on a function should have their fate determined by the liquidating agency.

Mrs. Alice Ritter

I am sure being inventoried to death this morning. Mrs. Luttrell, you helped a little while ago on the GAO people. Let us bring fiscal records in the discussion again--those needed and required for an "on site" audit. What disposition is made of these since according to GAO regulations they cannot be placed in Records Centers without GAO permission. What do we do about that?

Mrs. Dorothy Luttrell

You are referring to GAO Regulation 115. As I recall, GAO Regulation 115 provides that when an agency is under site audit, records of the fiscal year which have not been audited plus the records of the previous fiscal year which have been completely audited shall be retained by the agency. In other words, you will always have two fiscal years' records on the floor. The regulation further states that records which have been site audited and for which you have written notification that the site audit is completed, may be transferred to a Federal Records Center with the written approval of the Comptroller General.

Approved For Release : CIA-RDP70-00211R000100010003-5

You may have this written approval on a continuing basis. Well, obviously if you go out of business something must be done about the records which still await completion of the GAO audit. The only thing to do is to arrange a conference with GAO and Treasury officials just as soon as possible and decide what is to be done about such files. They are most cooperative and they will be very realistic about your problem.

Mr. Arthur E. Young

We have experienced with several agencies difficulty in getting the housekeeping people to realize that such an arrangement was necessary. It is especially important where you have an agency with a far flung empire with field offices. Now we know that, especially with OPS, the field office fiscal records have poured down in an avalanche and now they are available for the GAO auditors. That is why it is important to get your instructions out to your people carefully prepared on how to get the records so they are just not tossed into a box and sent unarranged to the Center. So it is very important to get that agreement. Al Humphrey of GAO and Everett Alldredge in the National Archives and Records Service can help on it.

Mrs. Alice Ritter

We will now have to buckle down to some actual retirement. The records are all inventoried. By diligent application of the general schedules, we could make orderly retirement to the Records Center of a large number of housekeeping files labeled for disposal after a certain retention period. Mr. Fridrich, what about these Centers and their facilities space wise and their assistance in labeling and boxing preparation of the shelf lists and the actual moving of the records?

Mr. Charles Fridrich

As to their facilities and space, I cannot give you concrete figures, but I can assure you they have taken everything we could shoot at them, even to the extent of several thousand cubic feet at one shot. Evidently they have the space. It is available. It can be used. As for the assistance in labeling and packing, you will find GSA most cooperative, at least that has been my experience. Records Center personnel have been detailed to us when we were in jams and had to work fast to do the boxing and labeling. The actual moving was very easy. We made our shelf list and we called the Federal Records Center to pick up the records. We got our accession number and I immediately forwarded copies of the shelf lists that they desired, usually an original and two copies.

Mrs. Alice Ritter

That is going to help a lot. Now, we have got to develop new schedules for those substantive categories that we have never before considered for disposal or retirement. Our staff probably by this time will be insufficient to cope with it. What could we do about that, Mrs. Luttrell?

Mrs. Dorothy Luttrell

Mr. Fridrich's injunction on inventorying applied to a specific case. Generally, one thing you don't have to do is inventory. I would suggest that you enlist the aid of the Records Management Division of the National Archives and Records Service, and get help particularly from the Records Scheduling Branch in developing your schedules. They have been through this before for the same situation in many other agencies. They know a lot of short cuts and they will be very helpful to you. They will assist you and even do some of your work for you. Then also you will want to enlist the aid of your top officials, those who can make final decisions. Don't bother with the lesser lights at this time; you don't have time. Working in this manner you can have a joint effort of the records management people, program people, and the people from the Records Management Division. I would also suggest that you develop your schedules on a functional basis. Don't bother with lists. Stick to schedules on a broad functional basis and start from the point of what must be preserved, then provide that everything else can go after a predetermined time. Don't start from the point of what could be destroyed; start with what must be preserved.

Mrs. Alice Ritter

That is the kindest thing that you have said. I was worried about all the rest of it. In line with my last question; I was emphasizing an insufficient staff. Are there any steps that can be taken to assure the retention of a records liquidation staff until the termination of an agency, Mr. Fridrich?

Mr. Charles Fridrich

I think what is vitally necessary is to bring the problem, and that has already been emphasized, before top officials and point to the specific legal requirements. For instance, orders of the agency which are actually on the books may require that industry keep records a specific length of time. Naturally the Government, in order to answer any questions, is going to have to keep its counterpart records at least the same length of time. You will find in your agency that there will still be legal activity with pending suits and other action that your agency may control. Basic industry data which in time of an emergency would be extremely valuable must be kept. If these kind of arguments won't convince them that the last people to be let go in an agency are the records management staff members, everyone must simply prepare for a bad time. The

experience of GSA is certainly germane to this point--liquidating agencies which kept their records staffs longest have had the least difficulty.

Mrs. Alice Ritter

I hope your point is generally recognized as valid.

Mr. Charles Fridrich

May I inject something there? You probably will find considerable interest in retaining records and agree that somebody should be on hand to do the job. I think also these days you run up against a problem concerning the character of your records liquidating staff. I have heard so much talk of just rounding up people to do this job; there is a feeling that any reasonably intelligent person can be thrown into a records liquidation job. In some cases that is true, but in most cases it is not true. It was suggested to me once that the way to get over the hump on this records business would be to hire college students during the vacation period. Well, now that looks good to many people and sometimes it works. You can use college students and high school students on certain kinds of work, but I think you have to be careful before accepting the assumption that that sort of an operation will work out satisfactorily in records liquidation.

Mrs. Alice Ritter

I have another question for you, Mr. Vaughan. All agencies have certain records that they think should be kept permanently for historical purposes, the pure gold records. How is that situation handled?

Mr. Charles Vaughan

Well, I am not quite sure what we mean by the pure gold records. Could you give me an example of that?

Mrs. Alice Ritter

Well, records that really and truly should be kept permanently. Right now I am thinking of the minutes of our agency and its subsidiaries. The permanent records of all of our activities.

Mr. Joseph Vaughan

The sort of thing that sometimes gets bound in leather binders? The property people I think will assist you in insuring the permanent preservation of records of that kind. But seriously, though that is the sort of thing which one would expect to be on a comprehensive schedule, the sort of a thing that would be definitely earmarked for permanent retention. Whether your object is to direct items of that kind, (your pure gold items) to the National Archives, or whether it is to pass them through the purgatory of the Records Center along with the other records depends of course upon a number of circumstances. By and large, the policy of GSA is to funnel everything through the Records Center, and that can be done and still insure the permanent retention of these pure gold records. There are exceptions to that rule which are spelled out in the regulations of GSA and I am sure that most of you are acquainted with them. For example, records of Presidential Boards and Committees; records of the Executive Office of the President, cartographic records, photographic records of one kind or another. In our own case we do have some problems in that we are a part of the Executive Office of the President but also have become the custodian of records created in other agencies not in the Executive Office of the President. As a practical matter, I doubt that we could attempt to send all of our retained records directly to the National Archives because, frankly, under the circumstances that exist now, a great many of them should not be retained except for a certain period of time. We have been working with the people of the NARS and the NA proper on the disposal of some records in our custody, pure gold records let us say. The bulk of our holdings should follow the normal procedures.

Mrs. Alice Ritter

How about the personnel records and related records?

Mr. Joseph Vaughan

You told me you were going to ask me that one. I don't know if I am going to be in the position to answer it too well. The status of personnel files, such as RIF registers, is pretty much determined by your personnel staff. In the agencies that we have noticed in the liquidation period and the agencies over which we have had some jurisdiction, our personnel people have jumped in promptly and as part of the general liquidation team and have seen to it that the records that should go to the Federal Records Center at St. Louis are promptly sent there and others to be retained are brought into our immediate custody for such processing as is necessary. In the case of the stabilization agencies it was necessary to create a liquidating unit that had responsibility just for the personnel records as well as certain fiscal records. Of course, you have last minute decisions as to who is going to stay on; I think you mentioned this the other day, Dorothy. A decision was made at 5:00 or 5:30 in the afternoon that John Doe will be continued another month, so you had to run out to the St. Louis truck and pull off his personnel file. Somehow I don't get too concerned about personnel records because there seem to be so many rules and regulations written about them and a general recognition of the fact that they are identifiable and manageable.

Mrs. Alice Ritter

I will run to my Personnel Office and waive those rules and regulations then. Mr. Fridrich, we have gone through all this work now and we will assume that everything has been boxed and stored or transferred one place or another in very orderly fashion. What procedures have the Records Centers setup for handling the reference and research work on these records and how do you determine restrictions to impose on these records as to who can see what?

Mr. Charles Fridrich

As for reference and research, the Records Center has a very competent staff who have been able to locate our records within 24 hours, except on rare occasions; I can think of about 4 times when I had to wait a week. But that is going to happen in any well organized group. By proper preparation of your lists, you ensure better service. I have been able to get my records back by spotting them immediately and even telling them the bin and location they are in. If you keep an adequate record in your own office you can assist them. However, they have been able to actually determine the character of the records needed and to make a lot of searches for me when I couldn't actually put my finger on what document I wanted. Now as to the restrictions, there are several things to be considered--principally laws, executive orders and regulations pursuant thereto. In the classification of records you determine whether they are confidential or secret or top secret. Your restriction should be determined on that basis. If functions have been transferred to other organizations you will want to include in your restrictions statements that the new organization can use the records. There is another problem: restrictions involving records of interest to business because of the competitiveness in industry. There are a lot of "company data" records in the Commerce Department which industries would like to get their hands on to see what their competitor did. The Federal Reports Act of 1942 and the Defense Production Act of 1950 have restrictions which have to be abided by in this area.

Mr. Joseph Vaughan

Then, of course, you will have general records which I think can be turned loose almost to anyone, possibly your history's etc. which will be of general interest.

Mr. Arthur Young

I think I would like to hear Mrs. Luttrell speak on this one, please. How do you stop people from removing under the blind of quote "personal papers" quantities of material that are strictly official records?

Mrs. Dorothy Luttrell

We didn't recognize nonrecord material in OPS; every paper in the agency was considered record material. There was no such thing as a personal paper or personal files. Any determination of nonrecord character was made by records management people. At the beginning of liquidation the director issued a very strong directive to all top assistants in the National Office and to all Regional Directors which defined records. First it stated that all records are the property of the Federal Government and as such they shall not be destroyed or removed from the premises of the Agency without written authority. It also called to their attention the penalties in the U. S. Code in this connection.

Mr. Arthur Young

Do you feel that you got satisfactory results?

Mrs. Dorothy Luttrell

I feel that we did. Of course, I won't say that some people didn't take personal papers away, but they certainly were less inclined to do so than they would have been without this directive. I didn't pull any punches.

Mr. Arthur Young

Joe, you would see that in a staff agency; especially where you have top level officials. How do you feel about that?

Mr. Joseph Vaughan

We had an occasion where requests were made from an employee of the Office of Defense Mobilization for a certain portion of the records of the Office of Price Stabilization. This material was requested not as records but as the files that were in a certain office. I was told "surely they must be duplicated elsewhere", and "These were files that we had kept over there and we needed them real badly." So I called Dorothy, and she said "Oh, no you don't", and we agreed the matter would have to be decided by higher authority. The higher authority was a little difficult to determine, because the Director of Price Stabilization was a subordinate of ESA, who at the time of this incident was also the Director of ODM. The Deputy Director of ESA, was also the General Counsel of ODM and this matter involved legal records. So I thought the lawyers were going to give me quite a lot of trouble. I will admit that they seemed to think this was tempest in a teapot, but we got a decision from the Director of ODM, ipso facto the Administrator of ESA to abide by the regulations.

Mrs. Dorothy M. Luttrell

We worked that out as a transfer. We did not consider these files to be solely extra copies since there were official records mixed in with reference material. We worked it out as an official transfer of the records with the approval of the Archivist of the United States.

Mr. Joseph Vaughan

Dorothy, you said awhile ago that you did not recognize nonrecord material. Wouldn't it be more correct to say that you did not recognize nonrecord material unless you determined that it was nonrecord material.

Mrs. Dorothy M. Luttrell

Correct.

Mr. Arthur Young

Charlie, here is one for you. What about the problem of fugitive records, those that have been charged out for a long time to the Government agencies or authorized individuals outside of the Government? When these are ready to come home where do they go?

Mr. Charles Fridrich

These fugitive records should go back to a liquidating group or to GSA. If a successor agency has been appointed, taking over particular functions, the files should then go to the successor agency. I think that is just about as far as we can go. Ordinarily, I think if there is no successor agency, no liquidating group, there is GSA again holding the bag. So I imagine that would be the best place.

Mr. Arthur Young

One more question I would like to have Dorothy Luttrell answer. Should an agency being liquidated require records in the field office to be forwarded to the Central Office location or should the review and disposition of records be accomplished at the field installation?

Mrs. Dorothy Luttrell

It should be accomplished at the field installation. However, you may find it cannot always be done; but you should not send to a central location any records, except those which require centralization. That is why we have Federal Records Centers in the field, why we should have field Records Management people there. It would defeat the whole purpose of a planned retirement program, if we were to flood all the records into the FRC in Alexandria. Disposition should be made at the point where records are maintained if at all possible.

Mr. Arthur Young

I want to thank each member of the panel and Mrs. Ritter for participating in this discussion this morning. We haven't attempted, of course, to solve all of your problems and answer all your questions.

FISCAL ACTIVITIES

1. Completely post and balance general ledgers.
2. Reconcile general ledger with last account current received and prepare required appropriation and fund accounting reports. Consult the Treasury Department, Bureau of Accounts, where necessary.
3. Completely post and reconcile all subsidiary ledgers and records with general ledger.
4. Collect promptly all accounts receivable and make immediate deposit of all collections.
5. Completely identify all items in the special deposit accounts and clear as rapidly as possible.
6. Establish such special controls over incurring obligations as may be necessary during the curtailment period.
7. Ascertain that all obligations have been covered by an obligating document and posted to allotment ledgers.
8. Reconcile unliquidated obligation file with allotment ledger account balance of unliquidated obligations.
9. Analyze all unliquidated obligations to determine validity, adjusting outstanding obligations as necessary.
10. Completely post and reconcile all subsidiary ledgers and records with allotment ledger.
11. Obtain necessary supporting documents in order that all vouchers may be audited and certified promptly by the agency or such other agency as may be designated to handle such residue of accounts as may remain at the expiration of the liquidation period.
12. Notify public carriers, vendors, and contractors where communications should be sent during and after liquidation; send copy of instructions to Records Management Division, National Archives and Records Service, GSA.
13. Dispose promptly of all General Accounting Office inquiries, exceptions, and disallowances.
14. Submit promptly to General Accounting Office for direct settlement all uncleared vouchers, maintaining complete supporting data such as contracts, purchase orders, receiving and inspection reports, invoices, explanatory statements, etc., so that inquiries from General Accounting Office may be answered promptly.

Approved For Release : CIA-RDP70-00211R000100010003-5

15. By letter immediately request the General Accounting Office to expedite their audit of vouchers and settlement of claims.
16. Promptly cancel special authorities such as certifying authority, contracting authority, etc., when an employee is separated.
17. Obtain immediate refunds of outstanding travel advances.
18. Completely post individual earnings record cards; reconcile amounts deducted for taxes, bonds, and retirement with their respective control accounts.
19. Prepare and furnish, as required, Forms W-1, W-2, and W-3 to the Collector of Internal Revenue, giving applicable Form W-2 to each employee. Consult Treasury Department, Bureau of Internal Revenue, on special problems.
20. Terminate bond allotment authorizations, promptly issuing all bonds completely paid for and clearing unapplied bond deduction balances.
21. Prepare, completely post and balance Form 2806, Retirement Record Card, for each employee, forwarding such forms to Civil Service Commission as employees are separated. Consult Civil Service Commission on special problems.
22. Prepare and submit promptly to Civil Service Commission, Form 2807-2, Annual Summary of Retirement Fund Transactions.
23. Transmit Form 3005, Application for Refund of Retirement Deductions, to Civil Service Commission immediately upon receipt. To expedite payment of retirement refunds, attach the pertinent Form 2806, Retirement Record Card, if it has not already been forwarded.
24. Before issuing final salary check to an employee insure that necessary adjustments have been made because of overdrawn leave, unliquidated travel advances and unreturned accountable property charged to the individual employee.
25. Refer to General Accounting Office for collection, all cases of former employees who are or may be indebted to the Government; submit with each case all available information.
26. Send to Treasury Department, Division of Disbursement, with suitable explanation of each case, all government checks which have not been delivered.
27. Clear promptly unobligated or unexpended balances of funds provided under special arrangements such as working funds, allocations, appropriation transfers, and trust funds, when there is no further need therefor.
28. Prepare, as required for internal agency use, reports of progress in winding up the fiscal affairs of the agency.

Approved For Release : CIA-RDP70-00211R000100010003-5